



Department of Justice

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Eastern District of California

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FUGITIVE IN \$100M ROSEVILLE-BASED MORTGAGE FRAUD ARRESTED

SACRAMENTO, Calif.—Acting United States Attorney Lawrence G. Brown announced today that fugitive CHRISTOPHER J. WARREN, 26, of Sacramento, was arrested late last night while attempting to cross from Canada into Buffalo, N.Y., under a false name. Brown also announced that GARRET GRIFFITH GILILLAND III, 27, of Chico, Calif., who had also been a fugitive, was arrested on October 16, 2008, and is in the custody of Spanish authorities.

WARREN, GILILLAND, and SCOTT EDWARD CAVELL, 25, of Sacramento, are all charged with related mortgage fraud crimes.

According to Assistant United States Attorneys Russell Carlberg and Matthew Stegman, WARREN had been cooperating with authorities in the investigation of Loomis Wealth Solutions and others and had promised to remain in the United States. On February 2, 2009, however, WARREN fled the United States on a private jet. On February 4, 2009, an arrest warrant was obtained based on a federal complaint filed charging WARREN with bank fraud and other crimes.

Federal law enforcement tracked WARREN's travels overseas. He was traveling under the alias of Mark Andrew Seagrave with a fraudulently obtained passport. He flew from the United States arriving in Shannon, Ireland, on February 3. According to the flight crew, WARREN declared that he was traveling with approximately \$5 million worth of gold, and showed some of the gold to the flight crew. He then flew to and remained in Lebanon from February 4 through February 9. He was met in Lebanon by armed escorts. Law enforcement visited WARREN's hotel room in Kasslick-Jounieh, Lebanon, and found evidence that he had fled leaving behind personal effects, false identification, and valuables. On February 10, WARREN flew into Toronto, Canada, and at approximately 11:15 p.m. EST, WARREN, traveled by taxi, to Buffalo N.Y. where U.S. Customs and Border Protection agents arrested him based on an NCIC warrant from the FBI.

WARREN had passports containing his photographs but with false names, \$70,000 cash hidden in his shoes, and four ounces of platinum. Immigration and Custom Enforcement (ICE) agents responded at 12:05 this morning and interviewed him. The ICE agents called the FBI and the subject was turned over to the FBI agents early this morning.

WARREN appeared in federal court in the Northern District of New York at 2:00 p.m. EST, for a detention hearing and an identification hearing. He waived his identity hearing and did not contest detention, but his attorney said he will raise grounds for bail when he returns to Sacramento. Depending on the outcome of that identification hearing, WARREN is expected to be returned to Sacramento in the near future to face the charges.

According to the filed complaint, since at least 2006, WARREN and other directors of Loomis Wealth Solutions (LWS), Nationwide Lending Group (NLG), and the NARAS Secured

Fund #2 LLC, and related entities, have been running a large Ponzi scheme involving investment and mortgage fraud. The fraudulent activities span five states and involve approximately five hundred properties. Losses from this scheme are estimated at approximately \$100 Million.

Stated Brown, "You can run but you cannot hide. The agencies are to be commended for their outstanding work bringing Warren to justice."

GILILLAND, 27, of Chico, Calif., was arrested on October 16, 2008, in a suburb of Barcelona, Spain. The United States is awaiting his extradition to Sacramento. GILILLAND's wife, NICOLE MAGPUSAO, is also facing extradition from Spain, but was released from custody and has been ordered to return to court in Spain.

On August 14, 2008, a federal grand jury indicted GILILLAND and MAGPUSAO in a related case on charges of making false statements on loan applications. GILILLAND alone was additionally charged with money laundering. On August 29, the grand jury returned a superseding indictment against GILILLAND and MAGPUSAO, charging both with mail fraud and making false statements on loan applications. GILILLAND separately is additionally charged with conspiracy to launder money, bulk cash smuggling, and conspiracy to cultivate marijuana.

According to the superceding indictment charging GILILLAND, he operated as an unlicensed mortgage broker who falsified loan applications for his straw buyers in the Chico, California, area.

"We are hopeful, based on the expected timetable for extradition, that GILILLAND and MAGPUSAO should be back in Sacramento by late spring," Brown said.

CAVELL was charged by complaint filed on February 6, 2009, with bank fraud and other charges. CAVELL is still a fugitive, believed to be outside the United States.

These related cases are being investigated by the Federal Bureau of Investigation, Internal Revenue Service-Criminal Investigation, and the California Department of Real Estate, and the Butte County District Attorney's Office.

The maximum statutory penalties for the charged crimes are as follows: Continuing Financial Crimes Enterprise is minimum 10 years to life; conspiracy to commit mail fraud and bank fraud is 30 years; bank fraud is 30 years; mail fraud is 20 years; making false statements on loan applications is 30 years; cultivating more than 100 marijuana plants is minimum five years to 40 years; conspiracy to launder funds is 10 years, and passport fraud is 10 years. Penalties include a possible fine and restitution to victims in addition to any prison time. Although the above is the maximum statutory penalty for each crime, the preliminary sentence for each defendant will be calculated through the application of the advisory federal Sentencing Guidelines, which take into account a number of factors, and the final sentence will be imposed at the discretion of the Court.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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